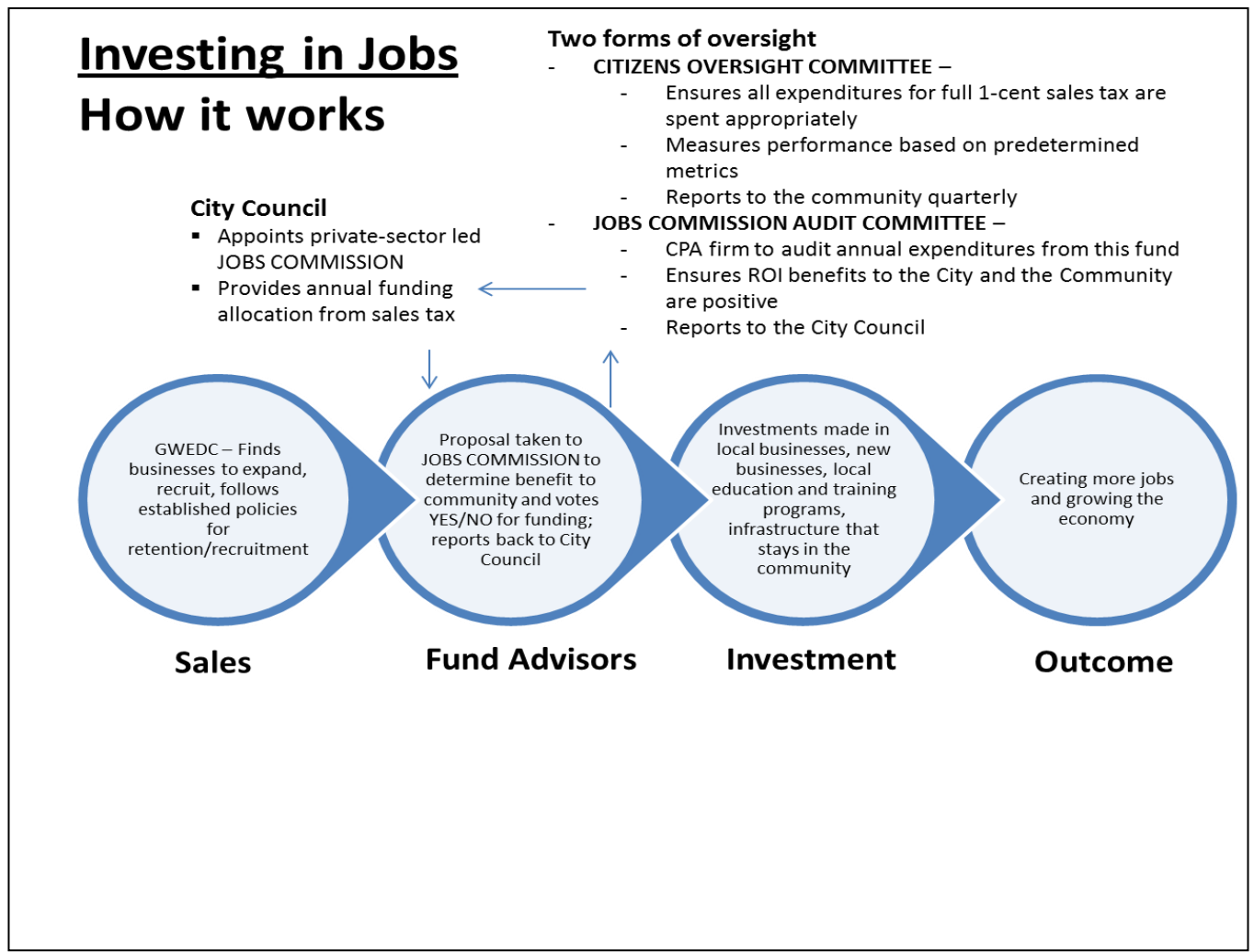


# JOBS INITIATIVE

## Who will receive funds from this sales tax?

The City of Wichita would allocate 20% of a 1-cent sales tax to an independent commission. This new commission would be appointed by the City Council and led by private sector business people. Decisions about who receives funding, the number of jobs, and the impact on community would be made in public meetings and tracked through a website. Reports would be made on a regular basis to elected officials.

## What kind of oversight does it have?



## What is the plan for diversification?

Working with Wichita State University, the Wichita Metro Chamber of Commerce, Greater Wichita Economic Development Coalition and Wichita Downtown Development Corporation are developing a new, regional economic development strategy. This market-driven process will:

- Ensure partners work together in new ways. This will allow the south-central Kansas region to compete in a global marketplace where metro regions are organizing and competing against each other;
- Allow the region to take full advantage of industrial “clusters,” or groups of related businesses and institutions (such as educational institutions and investors) that export out of the region to bring in revenue;
- Align and focus resources in new ways;
- Ensure development of recruitment and retention tools that allow the region to market itself in different ways;
- Produce a regional Jobs Plan that focuses on diversification of industries and businesses that build on current strengths in aviation, advanced manufacturing and workforce.

Diversification opportunities within the Aviation Industry, include:

Commercial and Military Airframes  
General Aviation  
Supplier Linkages  
Engineering  
Engines  
Avionics  
Component Repair  
Maintenance Repair and Overhaul  
Advanced Materials

Diversification in High Profile Emerging Global Industries (not aviation), include:

Additive and Advanced Manufacturing (includes health care devices, products and services)  
Unmanned Aerial Systems (UAS)  
Food/Value-Added Agriculture  
Professional Services  
Information Technology  
Cyber Security  
Energy and Energy Services (oil and gas service and supply chain)

This plan builds on our region’s core strengths. It would focus on the transfer technology to a different vertical industry, for example heating and air-conditioning. As always, the highest priority is to grow our existing companies. In past projects, 90 percent of resources were invested in growing local companies.

**How will the money be spent?**

The funding for the Jobs Initiative would be used with current businesses or to recruit new businesses, to produce 20,000 new jobs in the next five to seven years. Most of investment would focus on hard and soft assets that remain in the community. Investing for example in our people – with workforce training; and in the City of Wichita’s infrastructure – improving or building physical assets. Estimated amounts of

sales tax proceeds over the 5-year period are below. The fund would expire in five years, and unexpended funds used for future projects. The total funding allocation would be spent with an estimated allocation of 40% for infrastructure (\$32 million), 40% for workforce training (\$32 million) and 20% for business relocation/retention (\$16 million).

	2015	2016	2017	2018	2019	Total
Jobs Fund Initiatives	\$15 million	\$16 million	\$16 million	\$16 million	\$17 million	\$80 million

#### **40% for infrastructure - \$32 million**

Expenditures would be for hard assets that remain in Wichita, and would be tied to new primary jobs. Items could include:

- Project specific roads and sewers (new or upgrades)
- WSU Innovation Campus sewer (upgrade for new buildings/companies)
- Potential for Broadband internet
- Railroad spurs as needed
- Upgrade or new runways as needed
- Potential land purchase

#### **40% for workforce training - \$32 million:**

Expenditures would be for soft assets (our people) most of which many remain in Wichita, and would be tied to new primary jobs. Items could include:

- New worker skills
- Retraining for new and emerging industries/diversification
- Working with local education and training institutions, such as:
  - Wichita State University
  - Wichita Area Technical College and the National Center for Aviation Training
  - Summer employment and internships for youth
  - Career counseling programs
  - Other colleges and universities in community

#### **20% for expansion/relocation costs - \$16 million**

Funds would be used to offset costs associated with expanding or moving locations, and would be tied to primary jobs. Items could include:

- Reimbursement for the cost to move large equipment
- Architectural or engineering planning related to company expansion of new jobs
- Reimbursement for relocation costs for new companies
- Investing in research and development, such as robotics and other technologies at the National Institute for Aviation Research

### **How will the impact of the Jobs Initiative Fund be measured?**

Companies invest millions of dollars in employees, training and infrastructure. The public investment approved by an independent commission represents a small portion of a company's total investment. Any type of public investment will be provided **only if needed**; public investment never starts the discussion. **"Clawbacks,"** a form of repayment, protect public investment if a deal falls short of expectations.

Several metrics will be used to track the impact of Jobs Fund expenditures. These would include:

Total Wichita employment increase over five years (target is 7% - 20,000 more jobs).

Average wages increase over five years (target is 5% over cumulative CPI).

Property tax growth over five years (target is 15% or \$469 million).

In addition, a new measure – **the economic impact on the community** – is under development, so the City can report to residents the impact on the economy specifically attributed to new jobs. **Bottom Line:** A conservative estimate of 4% growth in jobs over the next 20 years provides \$2.5 billion in tax growth for the community. This additional revenue could be used for basic services as well as **quality of life projects**.

### **Why can't the free market determine job and economic growth?**

The answer is this is a market-driven approach. Businesses have their markets and so do communities. **Wichita is competing against 14,000 other entities trying to steal companies and jobs.** Oklahoma City is just one of the cities that has a person that spends majority of time in Wichita talking to our companies about moving or locating new work there. If a company needs a rail spur and Wichita can't provide it, other communities in the market will and Wichita loses those jobs.